

MARYLAND HEALTH INSURANCE COVERAGE

A Graphic Profile

June 2000

STATE OF MARYLAND



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Health Insurance Coverage in Maryland

The availability and cost of health insurance coverage in Maryland are of interest to most residents and organizations in the state. In spite of the favorable economy, the evidence indicates that the proportion of residents without insurance has remained stable while the cost of health care – and health insurance – appears to be on the increase. Consequently, there is public and private interest in finding ways to improve health insurance coverage among the state’s residents.

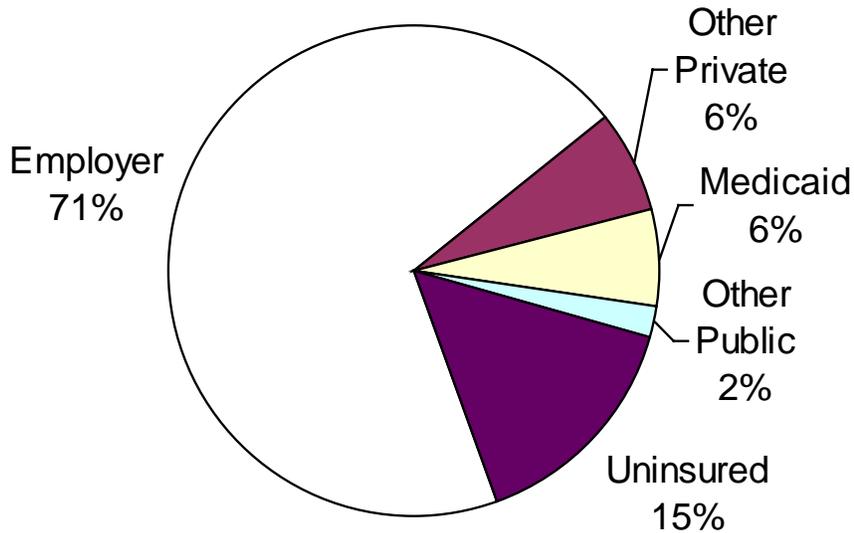
Improving coverage among the uninsured requires a clear understanding of who the uninsured are. Many people think the uninsured are predominantly unemployed and/or poor, but this is not the case. Efforts to improve insurance coverage in the state must take into consideration the characteristics, attitudes and concerns of the uninsured if they are to be successful. The Maryland Health Care Commission (MHCC) has produced this chartbook to outline the basic characteristics of insurance coverage – or lack thereof – in Maryland for both state and private organizations, as well as individual citizens.

The information presented here results from MHCC analysis of the Current Population Survey (CPS) data for Maryland, the Behavioral Risk Factor Surveillance Survey (BRFSS) data for Maryland and the Medical Expenditure Panel Survey (MEPS) national data. This book also includes some information prepared by other sources: the Health Care Finance Administration (HCFA) for Medicare enrollment and the Agency for Healthcare Research and Quality (AHRQ) for insurance coverage of employees by firms in Maryland using the MEPS – Insurance Component data.

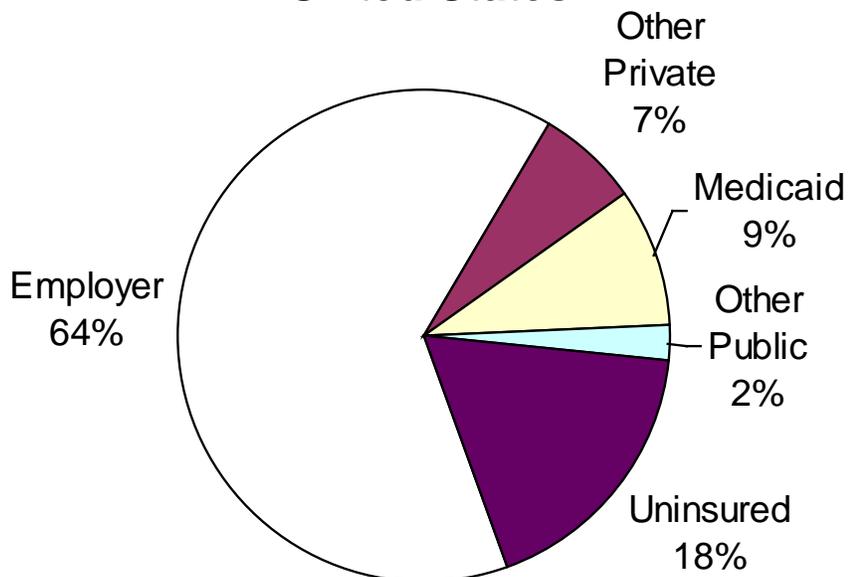
Please Note: Accurate estimates from the Current Population Survey require taking the average over multiple years when examining subsets of the uninsured due to the small sample size for Maryland. MHCC chose not to use data for 1998 because the survey question used to gather information on coverage in 1998 did not ask about HealthChoice, Maryland’s Medical Assistance Program. Consequently, the data for 1998 underestimates Medicaid coverage and overestimates the number of uninsured. In this report, MHCC uses data for 1995-1997.

What is the main source of health insurance coverage among the non-elderly in Maryland and in the U.S.?

Maryland

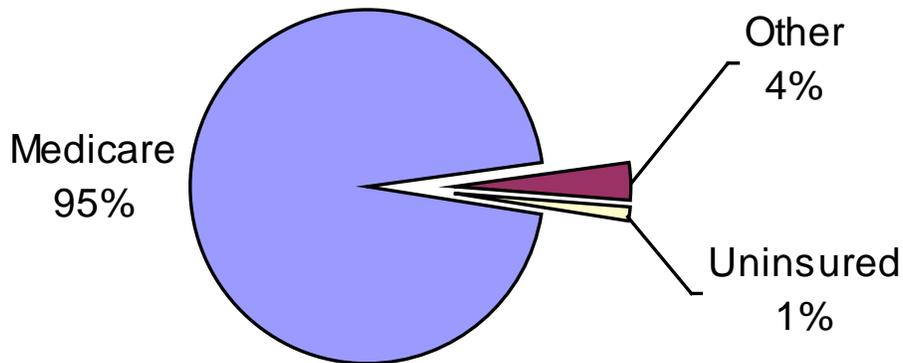


United States

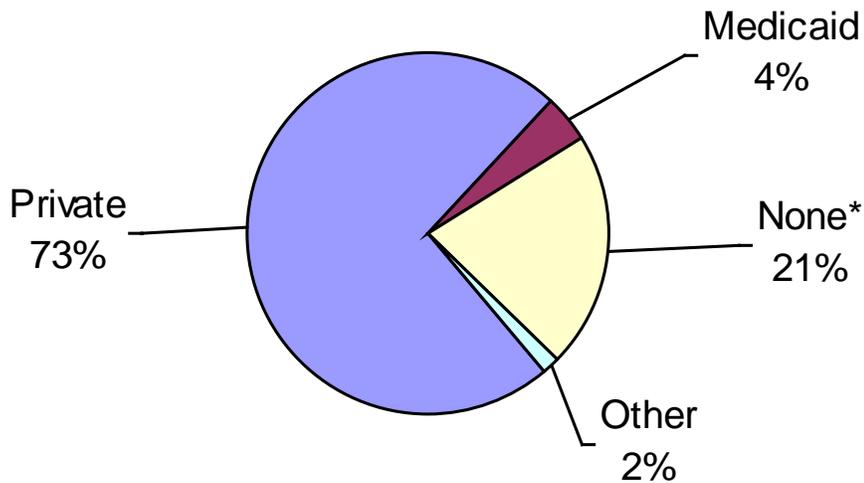


What are sources of insurance for Maryland residents age 65 and older?

Primary Source of Insurance



Secondary Source of Insurance, Medicare Beneficiaries



* MHCC estimates in 1997 about one half of this group were enrolled in Medicare HMOs which limits their out of pocket expenses.

Who are the non-elderly uninsured in Maryland?

Young adults ages 19-35 comprise the largest segment of the uninsured, 41%, followed by adults 35-49 (24%), children 0-18 (22%), and older adults 50-64 (14%). The youngest adults, ages 19-24, are most at risk for being uninsured, with about one-third of them lacking insurance. Almost half of the non-elderly uninsured have a household income under \$25,000, but almost one-fourth have incomes of \$50,000 and above. When family size is taken into consideration, only one-fifth (21.7%) are from families with incomes below the federal poverty level (about \$16,450 for a family of four in 1998). Although one-third of poor and low-income residents are without insurance, almost half (45.4%) of the uninsured come from families with at least middle incomes.

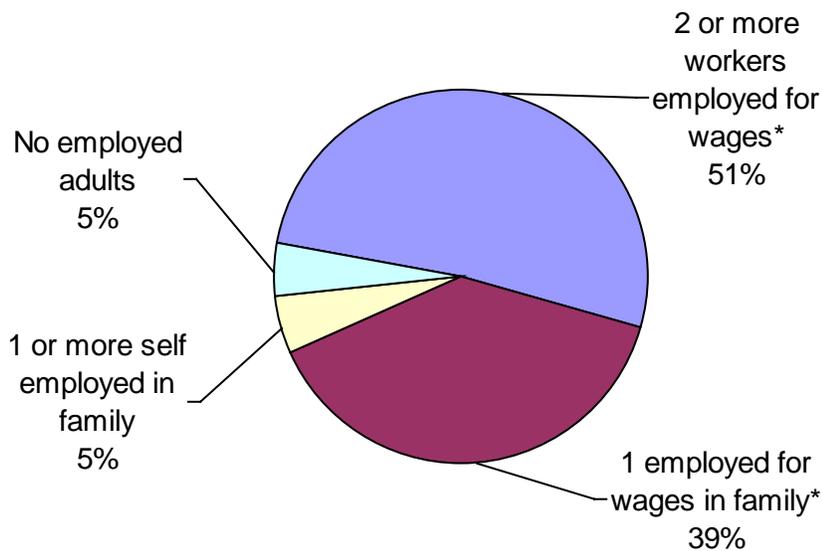
	Distribution of Uninsured	Risk of Being Uninsured
Age		
0-18	22%	11%
19-24	19	34
25-34	21	17
35-44	18	15
45-64	20	13
Family Income (\$s)		
< \$25,000	47	32
\$25,000 - \$49,999	31	17
\$50,000 - \$74,999	11	8
\$75,000+	11	6
Federal Poverty Level (FPL)		
Poor (below FPL)	22	33
Low Income (between 1-2x FPL)	33	33
Middle Income (between 2-3x FPL)	15	17
Higher Income (3x FPL and above)	31	7
TOTAL	100	15

% Distribution of Uninsured by Age and Income as a percent of Federal Poverty Level (FPL)

	0-18	19-24	25-34	35-44	45-64	Total
Poor (below FPL)	7%	3%	4%	4%	3%	22%
Low Income (between 1-2x FPL)	6	7	7	5	7	33
Middle Income (between 2-3x FPL)	2	3	4	3	2	15
Higher Income (3x FPL and above)	5	6	6	5	8	31
Grand Total	21	20	22	18	20	100

Half of Maryland's non-elderly uninsured live in families with two or more adults employed for wages.

Distribution of Uninsured by Family Employment Status, Ages 0-64

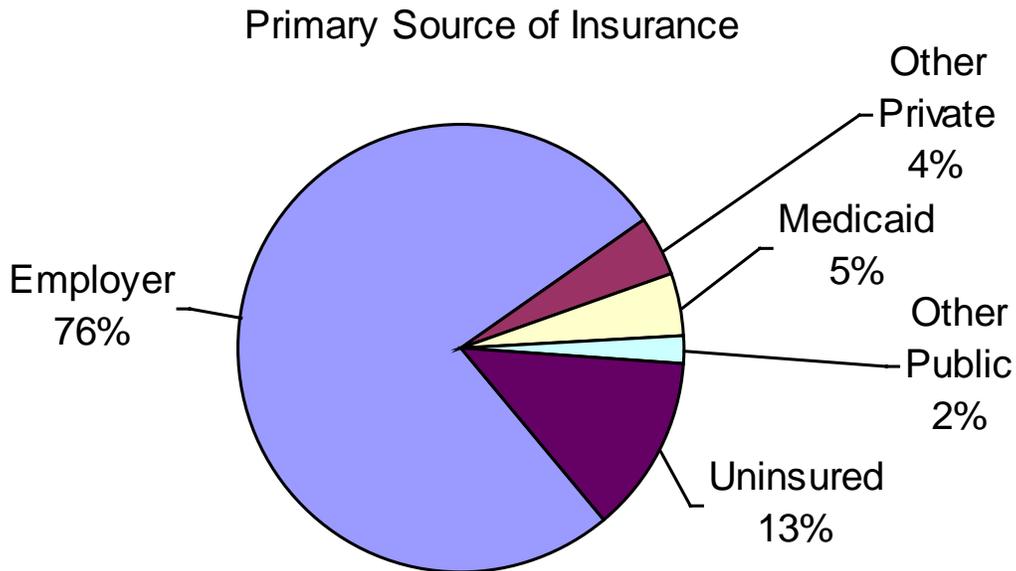


About one-fifth of those living in families with one adult employed for wages are uninsured, making them even more likely to be uninsured than persons in families with no employed adults (of which 17% are uninsured). But the persons with the greatest likelihood of being uninsured are those living in families where the working adults are self-employed.

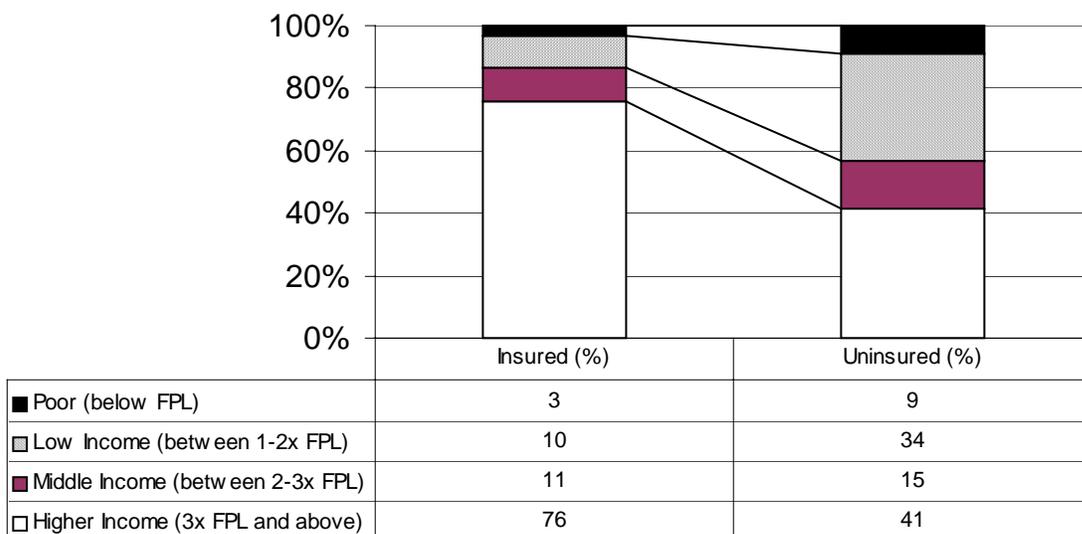
Employment Category	Risk of Being Uninsured	Distribution of Uninsured	Distribution of Total Population
2 or more workers employed for wages*	13%	52%	61%
1 employed for wages in family*	18	39	32
1 or more self employed in family	26	5	3
No employed adults	17	5	4

* May include 1 or more self-employed

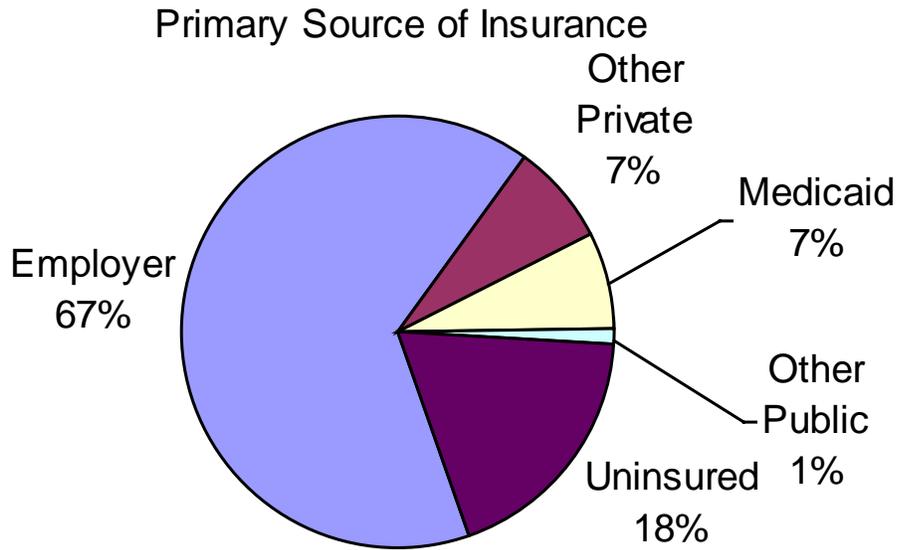
Families with 2 or more workers employed for wages: Insurance coverage and family income (as a percent of the Federal Poverty Level, FPL).



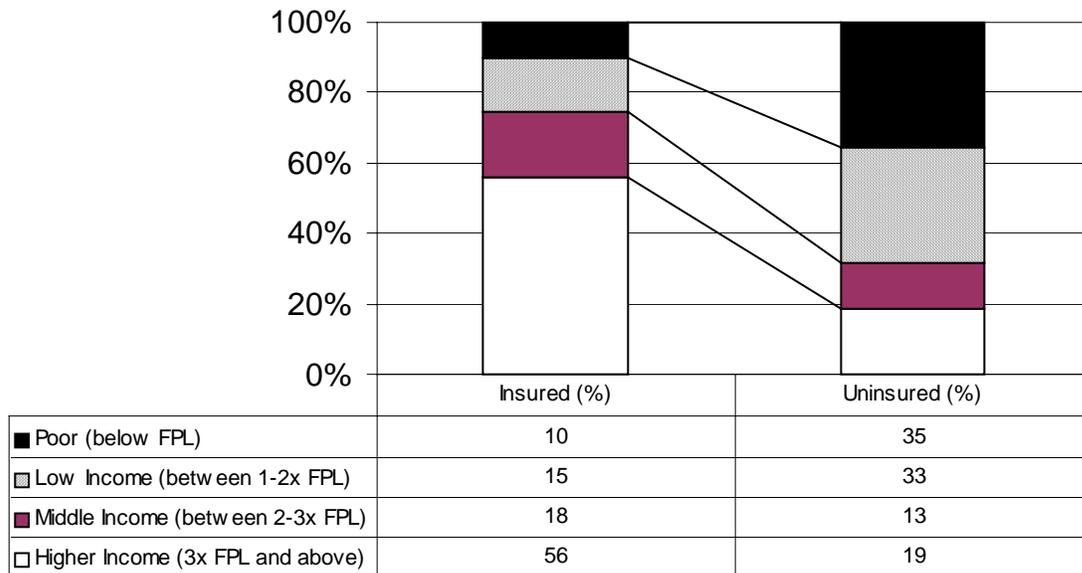
Family Income Distribution by Insurance Status



**Families with 1 worker employed for wages:
Insurance coverage and family income (as a percent
of the Federal Poverty Level, FPL).**

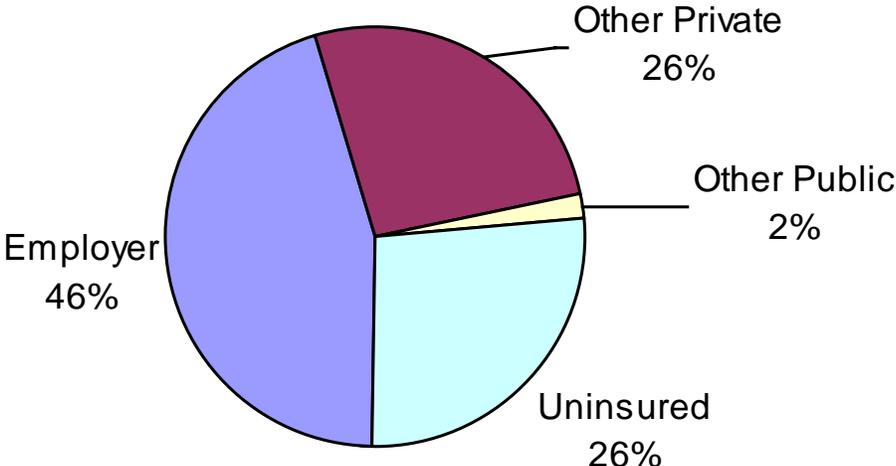


Family Income Distribution by Insurance Status

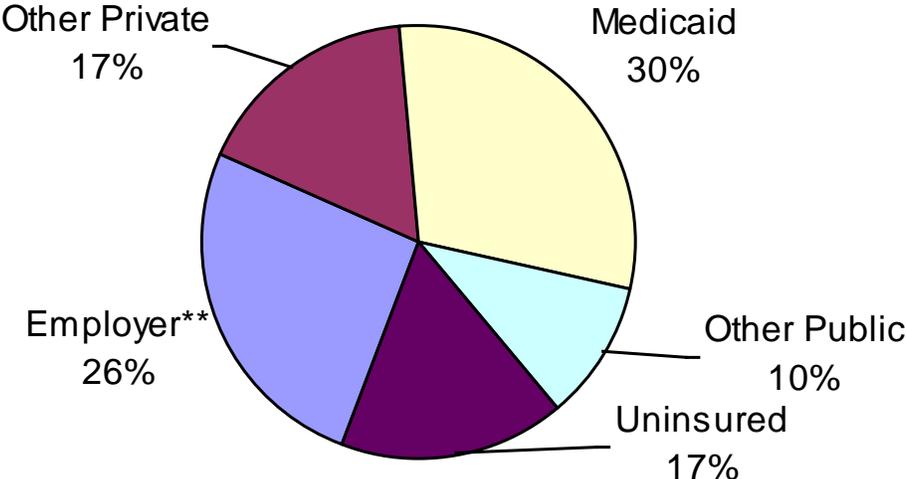


Families with self-employed or no workers: Main source of insurance coverage.*

One or More Self-Employed in Family



No Employed Adults in Family



* Sample size is too small to segment these populations by income level.

** Example: Child insured by a parent with employer coverage that is not a member of their immediate family.

About one-third of uninsured children live in families with access to employer-sponsored insurance coverage.

Percent Distribution of Uninsured Children 0-17 by Parents' Employment Characteristics, Northeastern U.S., 1996

Health Insurance Offer Status

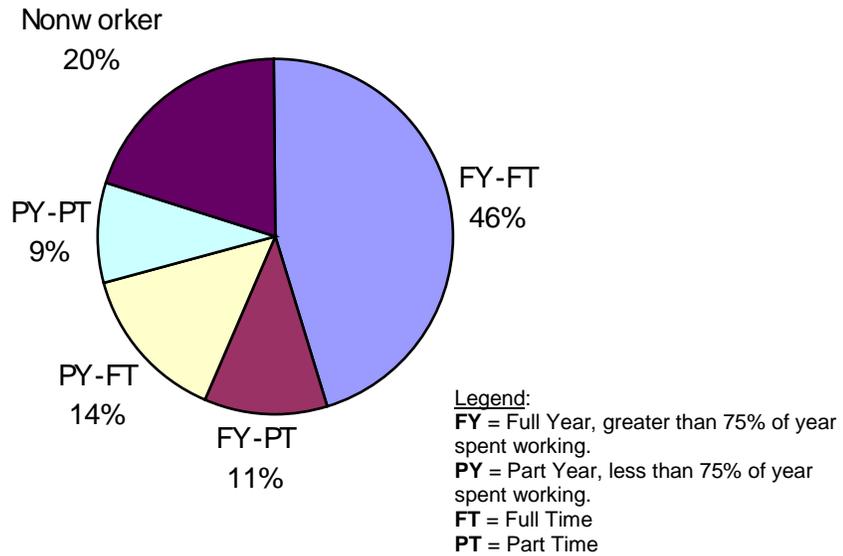
Offered Insurance	33.4%
Not Offered Insurance	23.0
Self-employed	7.7
Unemployed	16.9
No Parent	3.8
Not Ascertained	15.2

Employer-sponsored insurance is the main source of health insurance for the vast majority of Maryland residents. Recent national studies have shown that although more firms are offering health insurance to workers, employment-based insurance coverage is falling due to fewer takers (Cooper 1997). Using data from the Northeastern U.S. census region from the 1996 Medical Expenditure Panel Survey as a proxy for Maryland conditions, MHCC estimates that about 79% of all workers ages 21-64 employed for wages were offered health insurance at their workplace, with 84% having access to employment-based insurance through their job or through a family member. The take-up rate – percentage of workers who hold insurance of those who are offered – for workers is estimated to be about 80%, and for families about 90%, resulting in about 63% of workers having employment-based insurance coverage, similar to the national average of approximately 64% in 1987.

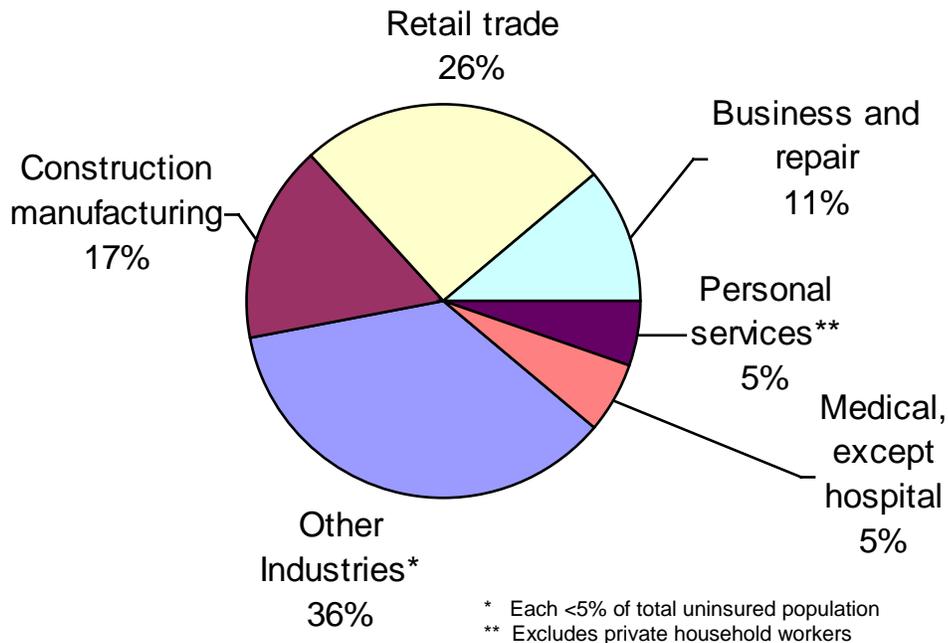
The main reason for the decline in takers is the increasing cost of health insurance. A national survey conducted this year by the NewsHour with Jim Lehrer/Kaiser Family Foundation found that 47% of uninsured adults cited insurance as being too expensive when asked to choose the single most important reason they did not have insurance. However, price is not the only factor, since in listing the major reasons for not having insurance, 19% cited not needing it, 23% said they didn't think anyone would sell it to them or didn't know how to get it. 21% said they would not have to give up anything to buy insurance, while 34% indicated they would have to give up/cut back on extra activities or non-necessities. Source of coverage also matters: 41% and 35% of all adults said they would not want to enroll in either Medicaid or Children's Health Insurance Programs, respectively, if either they, or their children, were eligible.

The majority of uninsured adults in Maryland are employed.

Distribution of Uninsured by Worker Status, Ages 18-64

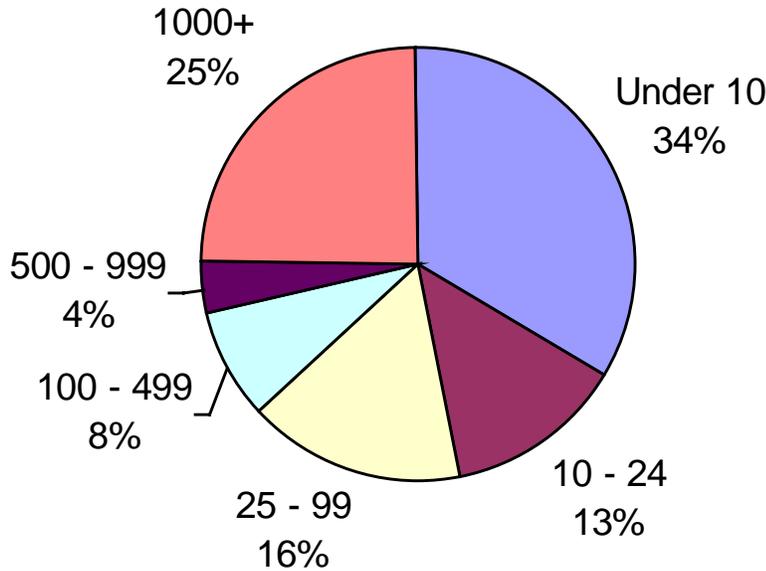


Distribution of Working Uninsured by Industry, Ages 18-64

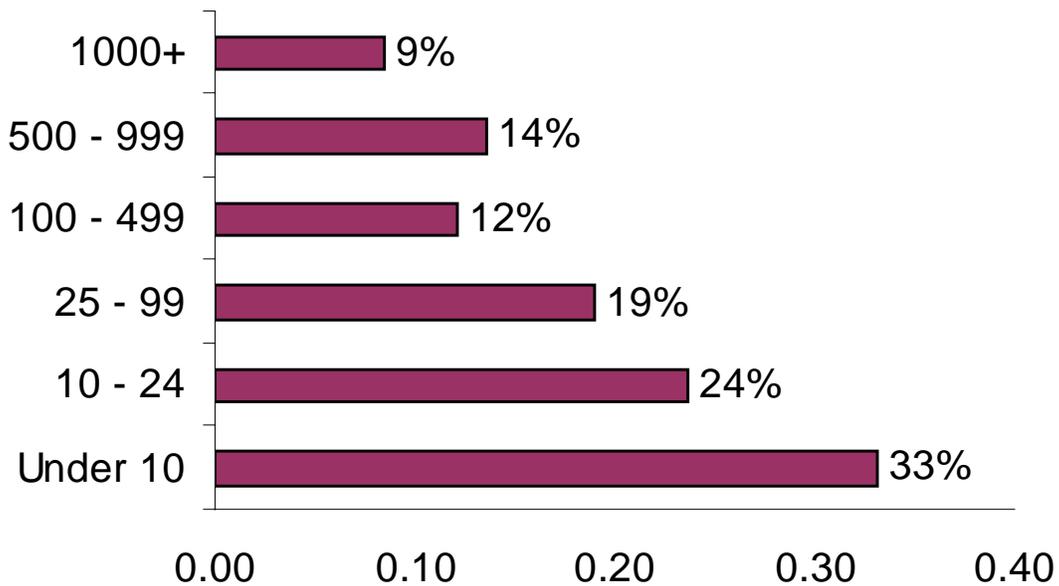


Smaller firms have higher proportions of uninsured workers, and the majority of uninsured employed adults in Maryland work in firms with fewer than 100 employees.

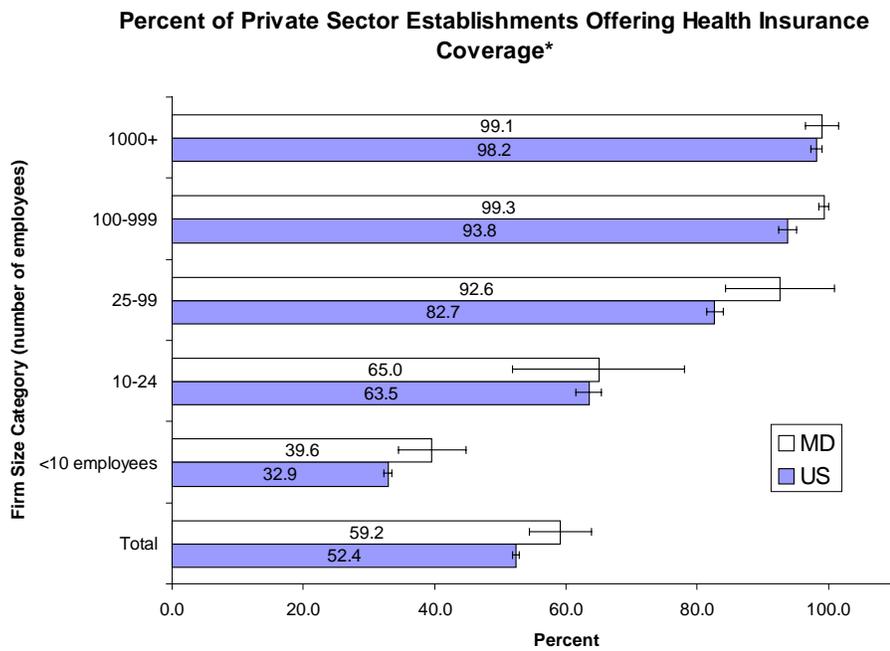
Distribution of Uninsured by Firm Size



Likelihood of Uninsurance by Firm Size

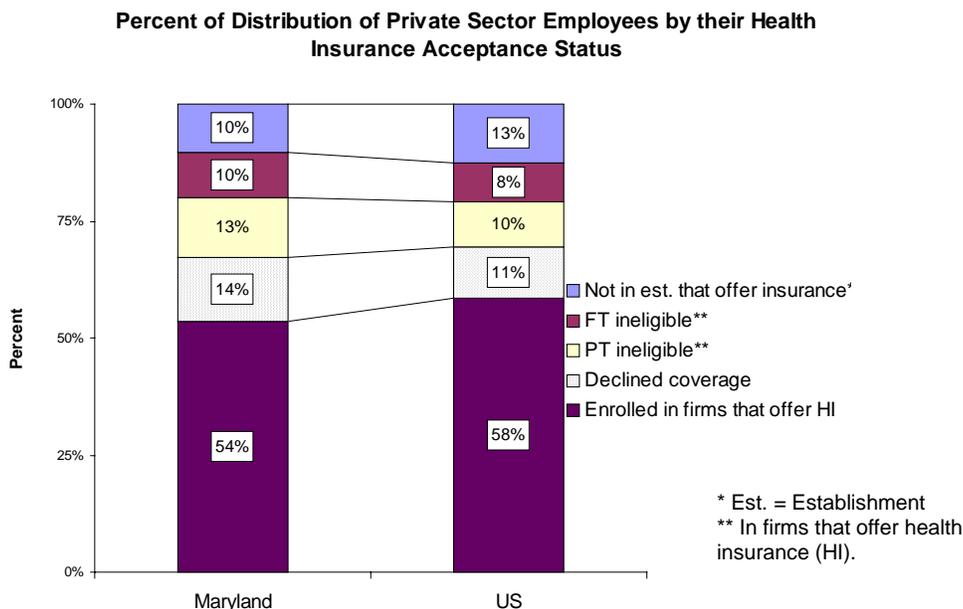


Overall, private sector establishments that offer insurance are more common in Maryland than the national average.



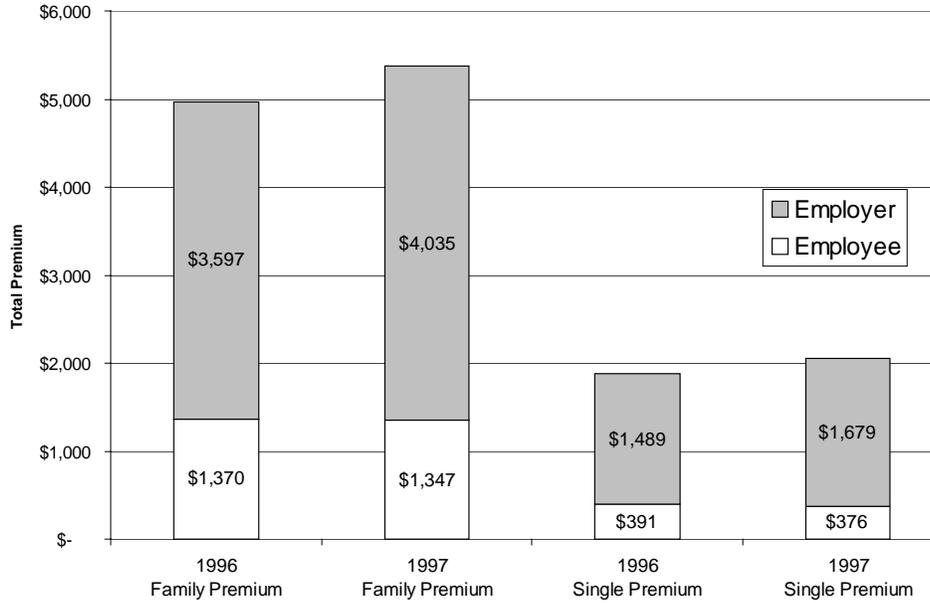
*The intervals represent 95% confidence intervals.

About two-thirds of private sector employees are eligible for insurance coverage through their employer.

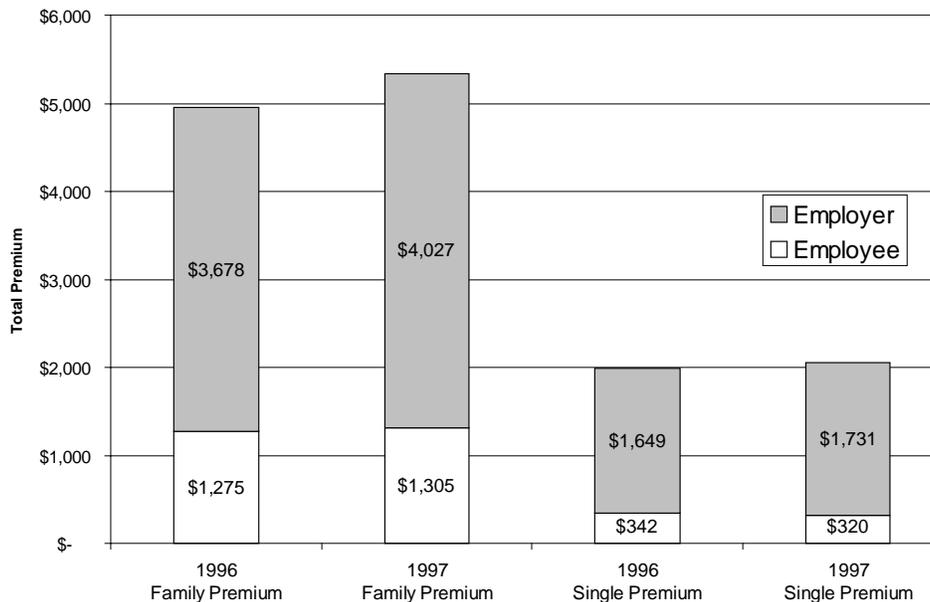


While the employer premium contribution in Maryland private establishments grew about 12% from 1996 to 1997, the employee contribution declined by 2% for family coverage and by 4% for individual coverage.

Premium Contribution: 1996 vs 1997, Maryland



Premium Contribution: 1996 vs 1997, United States



The likelihood of not having health insurance in Maryland varies significantly by county.

The map on the next page groups Maryland's counties into four categories based on how the counties' point estimates of the uninsured rate (see methodology below) compare to the state average. Interestingly, the estimated uninsured rates were either below or above average, with no counties near the state average. Due to small sample sizes in six counties, these were estimated in county pairs with each pair formed of adjacent counties.

<u>Low</u>	<u>Slightly Lower</u>	<u>Slightly Higher</u>	<u>High</u>
HOWARD	ANNE ARUNDEL	PRINCE GEORGE'S	ALLEGANY+GARRETT
HARFORD	ST MARY'S	CECIL+KENT	WORCESTER
CARROLL	MONTGOMERY	WICOMICO	DORCHESTER+SOMERSET
CHARLES	FREDERICK	WASHINGTON	BALTO CITY
CALVERT	BALTO COUNTY		CAROLINE
	TALBOT + QUEEN ANNE		

Methodology

MHCC's method of generating uninsured rates relies on uninsured rates for adults ages 18-64 in each county estimated from Behavioral Risk Factor Surveillance Survey (BRFSS) data for three years, supplemented with 1998 Census data on the demographic composition of each county. County rates for the entire population are indirect composite estimates projected from the BRFSS results using the following assumptions to compensate for inadequate data sources.

- 1) The county rankings relative to one another for children are assumed to be identical to the adult population.
- 2) A fixed uninsured rate (a 3-yr. statewide average from the CPS) is applied to the elderly for all counties.
- 3) The total number of uninsured from these rates matches the estimates from the CPS.

This methodology results in the counties' relative uninsured status remaining the same for the non-elderly adult population, the non-elderly population (including children), and the entire population, with slight changes in the rank order of counties. The map can be used for all of these populations under the above assumptions.

To obtain county rates for adults ages 18-64 from the BRFSS, MHCC created county (or county group) demographic weights specifically for insurance coverage. While this removed the main impediment to using the BRFSS for county estimates, some limitations remain, such as the need to group some counties. Coupled with the assumptions listed above which preclude standard error estimation, grouping the counties is the best way to present these county uninsured estimates.

Likelihood of Uninsurance Among Maryland Counties, 1995-1997

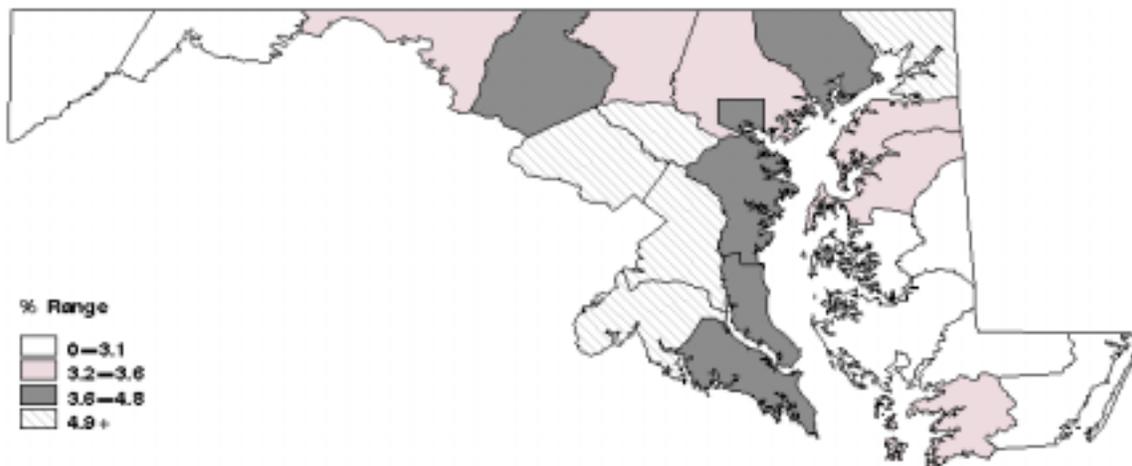
Percent Uninsured by County or County Group. Maryland, 1996-1998.



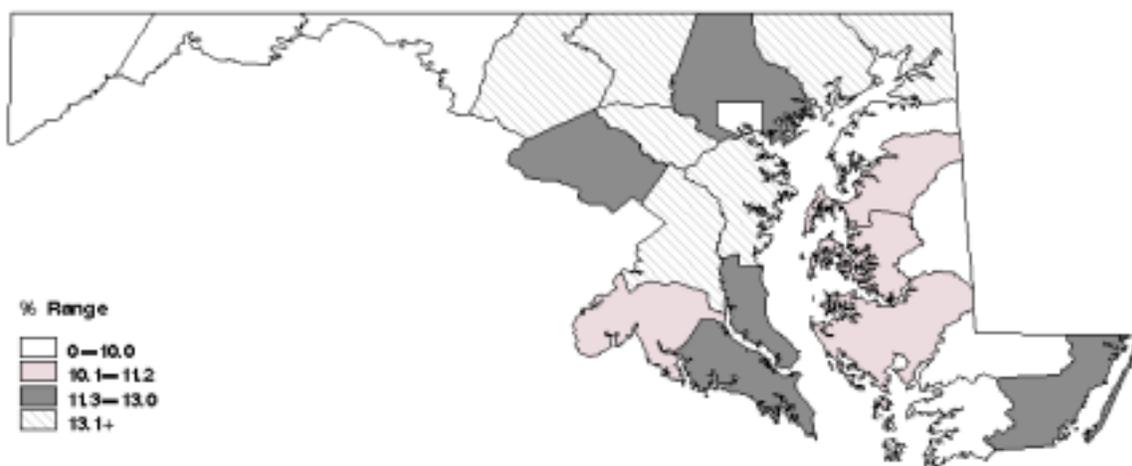
Source: BRFSS 1996-1998.

In Maryland, about 1 in 20 elderly and 1 in 9 disabled Medicare enrollees have only the hospital insurance, but this varies by county.

**Percent of Aged Medicare Beneficiaries With Hospital Insurance Only
Maryland, 1998.**



**Percent of Disabled Medicare Beneficiaries With Hospital Insurance Only
Maryland, 1998.**



List of Data Sources*

(1) Behavioral Risk Factor Surveillance Survey (BRFSS), 1996-1998.

Survey Data, National Center for Chronic Disease Prevention and Health Promotion, Centers for Disease Control and Prevention. Maryland's BRFSS is administered by the Community and Public Health Administration, Department of Health and Mental Hygiene.

Health insurance status was based on responses to the question "Do you have any kind of health care coverage, including health insurance, prepaid plans such as HMOs, or government plans such as Medicare?" and two follow-up questions regarding type of coverage.

(2) Current Population Survey (CPS) March Supplements, 1996-1998.

U.S. Department of Commerce, Bureau of the Census.

Health insurance status:

The CPS identifies individuals as uninsured if they have lacked coverage for the entire previous calendar year (although ... many analysts believe that respondents provide information about their current insurance status).¹

(3) Medical Expenditure Panel Survey (MEPS).

Agency for Healthcare Research and Quality, Center for Cost and Financing Studies.

- a. Insurance Component (IC): 1996 & 1997 Employer-Sponsored Health Insurance Data Tables by State and by Establishment Characteristics.
- b. MEPS NHC-001: Round 1 Sampled Facility and Person Characteristics, March 1997 (AHCPR Publication Number 97-DP21)
- c. MEPS HC-002: 1996 Panel Round 1 Parent Identifiers and HMO Data/Round 2 Health Status and Access to Care Data, October 1997 (AHCPR Publication Number 98-DP01)

Health Insurance Status:

The current 1996 MEPS data are from the first round of a two-year panel survey and therefore will count as uninsured those without coverage for the entire interview round (an average of 3-5 months).¹

(4) Medicare Enrollment - 1998.

Health Care Finance Administration (HCFA). Medicare Enrollment by state and county of beneficiary residence. Available at <http://www.hcfa.gov/stats/enroll98.htm> [2000, June 5].

(5) P. Cooper, B. Schone. More Offers, Fewer Takers For Employment-Based Health Insurance: 1987 and 1996. Health Affairs 1997; 16(6) 142-9.

*Notes on Health Insurance Status:

For all three data sources: BRFSS, CPS, and MEPS, the definition of uninsurance derives from an indirect questioning process. If a respondent denies having any type of health insurance coverage then they are identified as uninsured.

¹ Understanding Estimates of Uninsured Children: Putting Differences in Context. [Online]. Assistant Secretary for Planning and Evaluation (ASPE Research Notes). Available at <http://aspe.hhs.gov/rn/rm21.htm> [2000, June 5].

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